

MEMORANDUM

Date: August 7, 2008

To: CODAC Board Members

Subject: Special Benefits Districts in Washington State

Definition:

The Revised Code Washington (RCW) has no explicit definition of Special Benefit District (SBD) or Special Purpose District. Different types of SBDs have different definitions as defined by specific chapters of RCW.

By convention, an SBD is any government subdivision created by the county legislature that is not a town or city. The SBD should be created to provide a service or to expand or increase an existing service. The scope and function of the SBD should be defined in the authorizing statute approved by the county legislature.

"It is declared that the construction, modification, renovation, and operation of facilities for cultural arts, stadium and convention uses will enhance the progress and economic growth of this state. The continued growth and development of this recreational industry provides for the general welfare and is an appropriate matter of concern to the people of the state of Washington."

Special Benefit Districts have their own governing body. The composition of the governing body should also be defined in the authorizing statute approved by the county legislature.

Cultural Arts, Stadium and Convention District

Chapter 67.38 of RCW is the chapter dealing with Cultural Arts, Stadiums and Convention Districts. The state defines these districts as valuable and adding to the cultural tourism industry.

Benefits

A Cultural Arts, Stadium and Convention District (CASCD) is a quasi municipal corporation with its own governing body. The benefits of being a quasi municipal corporation are the CASCD:

- has the power to contract with the federal government and any agency thereof
- is eligible for state matching funds
- can contract to "acquire by purchase, gift or grant and to lease, convey, construct, add to, improve, replace, repair, maintain, and operate cultural arts, stadium and convention facilities and properties within the district"¹
- issue general obligation bonds for capital construction

¹ RCW chapter 67.38.100

- issue revenue bonds
- levy property taxes
- use tax incremental financing as stipulated under RCW chapter 39.89 (the TIF Act)

Limitations

The primary limitation of a CASC is that it has to be created via specific protocols.

There are three mechanisms by which to create a special district: (1) the county legislature can adopt a resolution calling for a public hearing about the proposed district, (2) two cities within the county can adopt resolutions calling for public hearings about the proposed district, or (3) a petition that is signed by no less than ten percent of the registered voters within the boundaries of the proposed district can be filed with the county.

The county will conduct public hearings within 60 days of adopting any resolution and will submit the issue on the ballot within two years. The ballot issue has to be approved by a simple majority of the voters registered within the proposed boundary at the next general election that is 60 days or more in the future.